



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 27 (ending 07/07/2017)

**“At the still point, there the dance is.” – T. S. Eliot**

**Irish unemployment rate now 6.3% compared to 8.3% in 2016** – The Central Statistics Office reported that the seasonally adjusted unemployment rate for June 2017 was 6.3% (7.1% for males and 5.4% for females), down from 6.4% in May 2017 and 8.3% in June 2016. The euro-area average rate was at 9.3% in May.

**U.S. jobs report for June beats expectations** – The Labor Department reported that nonfarm payrolls rose a stronger-than-expected 222,000 in June, easily beating estimates for a gain of 175,000. Upward revisions to April and May payrolls also took place which added an additional 47,000 jobs to those previously reported.

**Global stock market up 0.1% on the week** – The MSCI AC World TR Index had a very slight rise of 0.07% from the 30th June to 7th July as technology shares, which have recently been exceptionally volatile, bounced back mid-week. Volatility, as measured by the CBOE Volatility Index (VIX), rose to 11.75 from 10.9.

**Eurozone manufacturing hits new six-year high** – The IHS Markit's eurozone manufacturing Purchasing Managers' Index (PMI) moved up to 57.4 in June, from May's 57.0. This beat forecasts and rounded off the best quarter for just over six years with Greece even returning to expansion, as it hit a 37-month high of 50.5.

**EU and Japan agree free trade deal outline** – European Union Trade Commissioner Cecilia Malmström and Japanese Foreign Minister Fumio Kishida confirmed an outline for an Economic Partnership Agreement (EPA) with the deal made between European Council President Donald Tusk and Prime Minister Shinzo Abe.

**Chinese capital controls show some success** – The People's Bank of China (PBOC) reported that foreign reserves rose by \$3.22 billion to \$3.057 trillion in June, the fifth straight monthly rise, helped by efforts in controlling capital outflows to stop money from leaving the country, supporting the yuan and a weak \$.

**The Story of the week:** The grumpy barman or barwoman is no more – well certainly not in a cocktail bar just opened with robot bartenders in Las Vegas. It's called the 'Topsy Robot' and is within the Miracle Mile Shops. You enter this futuristic, metal-mesh watering hole and find two robotic arms mixing up 18 concoctions. Then you order your drink, say a Robo Mule or Galactic Grapefruit (tequila, grapefruit soda water and fresh lime) on a tablet and watch as the arms activate; measuring, shaking, pouring and even garnishing your cocktail. But don't fret, the robot apocalypse hasn't started just yet. Human counterparts, known as galactic ambassadors, will be working a separate bar. I'll stick with our human bartenders - even those with (and because of) their foibles - if you don't mind.

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# Index Performances and Market Data\*

<b>Equity and Bond Markets % (in Local Currency)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD (to 07/07)</b>
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	9.4
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	6.4
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	5.2
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	7.4
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	9.5
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	14.3
Nikkei 225	22.9	56.7	7.1	9.1	0.4	4.3
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	13.3
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	-0.4
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
U.S.	1.7	3.0	2.2	2.2	2.4	2.4
German	1.4	1.9	0.5	0.6	0.2	0.5
UK	1.9	3.0	1.9	1.9	1.2	1.3
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	1.0
Italy	4.6	4.1	2.1	1.6	1.8	2.3
Greece	12.7	8.2	9.6	7.9	7.1	5.4
Portugal	6.9	6.1	2.7	2.5	3.8	3.1
Spain	5.4	4.1	1.6	1.7	1.4	1.7
<b>Central Bank Rates (%)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
<b>Foreign Exchange Rates</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.14
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.88
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.29
<b>IPD All Property Return % (in Local Currency)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Ireland	3.1	12.7	40.1	25.0	12.8	2.0% (to end of Q1)
U.K.	2.7	10.7	17.8	13.1	3.6	2.3% (to end of Q1)
U.S.	5.3	11.4	11.2	12.1	7.8	1.6% (to end of Q1)

\*Past performance is not a reliable guide to future performance